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**How the Work of F. C. S.
With Farmer Cooperatives
Contributes to the
National Interest**

3 Prize-Winning Essays

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**Farmer Cooperative Service
U. S. Department of Agriculture
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This leaflet gives the three prize-winning papers of an essay contest on the subject "How the Work of F. C. S. with Farmer Cooperatives Contributes to the National Interest."

This contest was open to all employees of Farmer Cooperative Service other than Division Directors. It was conducted to stimulate F. C. S. staff thinking on the meaning and significance of our work.

The 18 papers submitted were judged by the Division Directors, with only a number to identify each entry. Because of the worthwhile content of the winning essays we are putting them in this form for wider circulation. --

Joseph G. Knapp, Administrator
Farmer Cooperative Service
U. S. Department of Agriculture

First Place Winner

*by J. Warren Mather
Chief, Farm Supplies Branch*

The work of FCS involves two sets of ingredients--research, service, and education, and farmers and their business organizations. Both contribute to our national welfare. Applied together effectively, they produce benefits to agriculture, business, labor, and consumers.

Farmer Cooperative Service research on cooperative purchasing of farm supplies and services helps farmers reduce costs, improve yields or gains, and save time and labor. It supplements research of the Department and State universities to improve farm production. Research on the cooperative marketing of farm products helps farmers improve their returns, develop wider markets, and strengthen their bargaining power.

Examples of FCS work are studies showing how cooperatives can reduce operating expenses, control credit, provide efficient insurance services, improve merchandising, coordinate sales, use better pooling practices, and lower transportation costs.

Research and educational activities of FCS help farmers build strong economic institutions that benefit thousands of rural communities. We

examine business policies; encourage use of sound cooperative principles; and analyze methods of selecting directors, financing operations, and conducting membership relations. Sound cooperatives resulting from this assistance also develop social values--a spirit of self-help, mutual aid, local ownership, and farm leadership--all elements in the national interest.

The work of FCS implements our national policy of helping farmers, through group action, obtain a fair share of the Nation's income. A "committee of conference" in the House reaffirmed this policy in 1961.

FCS activities are of value to other segments of our economy. Our reports go to many business firms that perform services similar to those of farmer cooperatives. Our statistics and findings showing the position, role, and trends of such cooperatives are used by business, educational, and governmental agencies, and the public.

Net savings of cooperatives, resulting from application of our research, soon are spent for tractors, automobiles, clothing, and other items. This helps factories in the cities and businesses in rural towns. Moreover, strong cooperatives prevent monopolies, thus helping small independent companies stay in business.

The labor force of cooperatives benefit from our studies of personnel policies, retirement programs, and incentive pay plans. Employees attain

more security as other studies point the way to stronger cooperatives.

The work of FCS also is in the interest of consumers and the general welfare. Our studies aid farmer cooperatives to adopt better inspection of products; determine kinds and qualities of products consumers want; and to provide them in convenient, attractive packages which help protect the quality of the food. Few people would question whether Diamond walnuts, Sunkist oranges, or Land O'Lakes butter are in the national interest.

As our research helps build efficient cooperatives, they serve to restrain monopolistic practices and cause other firms to become more efficient. This eventually benefits consumers. Furthermore, strengthening the economic position of farmers assures consumers a steadier, more abundant supply of food and fiber and a higher standard of living.

Research and education are hallmarks of progress in America. They are the main services or tools FCS uses to help farmers efficiently provide necessities for the people of our Nation and other countries.

Second Place Winner

by Oscar R. LeBeau

Membership Relations Branch

The Farmer Cooperative Service engages in a multitude of research, service, and educational activities that contribute to the national interest. Through its constructive work with interested farmer cooperatives, governmental agencies, and others, FCS extends its helpfulness the Nation over. In the process of aiding farmers, FCS gives new impetus to the place of cooperatives in the American private enterprise system and strengthens the image of democracy throughout the free world.

FCS Encourages Farmer Self-Help

Cooperatives provide farmers with a much-needed economic tool. In helping farmers to help themselves, FCS effectively lessens the need for costly governmental assistance programs. This in turn adds to the dignity of farming.

FCS Helps To Preserve Farmers' Economic Freedom

Through its work with farmer cooperatives, FCS helps farmers to attain jointly what they could never achieve separately. Through the vote members have in their cooperatives, farmers retain a voice in their

off-farm business activities. With contract farming threatening to revolutionize agricultural business operations, cooperatives may well hold the answer to "Who is going to control farming?"

FCS Aids Rural Areas Development

Cooperatives offer a practical means of improving living standards and income in rural areas. Cooperatives are helpful in obtaining production supplies and services and in marketing agricultural products. They provide employment and add to the community's tax base.

FCS Helps Carry Out Research Results

FCS economists, working in cooperation with State marketing specialists and other key leaders, can often assist in effecting research recommendations. The savings resulting from more efficient operation and competitive pricing may ultimately be reflected in lower prices to consumers as well as more adequate returns to cooperative members.

FCS Pyramids Its Services Through Joint Efforts

The good which FCS can do is greatly multiplied by the many ways the agency works with other groups. For example, the educational work that FCS conducts jointly with the American Institute of Cooperation, the various State cooperative councils, agricultural extension workers, and others takes on surprising proportions when totaled.

FCS Maintains Cooperative Records and Statistics

The annual cooperative statistics report, developed from information submitted by farmer cooperatives of the Nation, is a distinct contribution to American agriculture. Moreover, the records maintained are valuable for research and educational purposes.

FCS Promotes International Good Will and Understanding

The many foreign agricultural leaders who visit our shores annually to study farmer cooperation under the guidance of FCS representatives leave with a high regard for the American private enterprise system. These training activities, plus the cooperative exhibits displayed at international fairs in New Delhi, Cario, and other places, have done much to cement international good will.

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These are a few of the ways in which the Farmer Cooperative Service contributes to the national interest. I am proud to be a part of that effort.

Third Place Winner

by John M. Bailey
Farm Supplies Branch

A strong agriculture is a necessary link in our chain of national interest. The contributions of Farmer Cooperative Service to the national interest are reflected in its efforts that strengthen the farm sector of our economy.

Believing that which is good for agricultural cooperatives is good for farmers, FCS is dedicated to the good of cooperatives. While the research, service, and educational activities of FCS are largely oriented to cooperative business entities, the ultimate beneficiaries are the member patrons. The contributions of FCS appear as end products in the economic and social well-being of farmers and their families.

Economic Well-Being

Here is how FCS contributes to the national interest by enhancing the economic well-being of agriculture.

1. Its research encourages efficient business operations. Efficient business operations mean higher prices for products marketed and lower prices for production supplies and services. This combination increases net income to farmer members and thus strengthens agriculture.

2. Well-being is influenced also by cooperative attainment of market power. FCS activities help achieve market power by strengthening bargaining cooperatives; by encouraging both vertical and horizontal integration; and by analyzing the merits of mergers, consolidations, and acquisitions.

3. Agricultural well-being is further enhanced by virtue of FCS efforts to promote expanded and pooled research by cooperatives--research directed to improve resource use at cooperative and farm levels.

4. FCS draws upon its background of research and experience to recommend sound policies for organizing, financing, and operating cooperatives.

5. FCS personnel participate in workshops, training centers, and other educational activities to raise the level of operations in cooperatives. In whatever ways FCS strengthens cooperatives, healthy market competition is sustained and monopoly restrained.

Social Well-Being

The contributions of FCS to social well-being in the farm sector include the following:

1. FCS in its membership activities encourages wider participation in cooperative affairs. Participation leads to understanding of business principles; it establishes a conviction of the power of concerted action; it

helps farmers recognize common problems and points up the effectiveness of joint action to achieve goals. These traits expand members' potential for service to society.

2. FCS emphasizes in its service and educational work the necessity of member responsibility. The areas of responsibility include financial support and an interested voice in cooperative affairs.

Member responsibility for financial support of cooperatives adds strength to individuals in their civic affairs by alerting them to costs of endeavors and the need for broad support.

In a political sense, a cooperator carries into his civic affairs a conviction of the strength of democratic processes. His cooperative responsibility has enhanced his value in public affairs. FCS publications on conduct of meetings and group response add substantially to his role in other group efforts.

In brief, our staff is alert to recognize new and better methods. Our Service, through publications and personal contacts, passes observations and recommendations of jobs well done to others and thus serves as a catalyst and exchange agent between cooperatives and people for achievement of a stronger rural link in our national interest.



Other Publications Available

Cooperatives in the American Private Enterprise System. Information 24.

Co-ops Have a Place in Rural Community Progress. Information 23.

Providing Equitable Treatment for Large and Small Members. Information 21, Irwin W. Rust.

The Story of Farmers' Cooperatives. Educational Circular 1.

Forming Farmer Cooperatives. Educational Circular 10.

Sizing Up Your Cooperative. Educational Circular 11.

Farmer Cooperatives in Our Community. Educational Circular 12, A. W. McKay.

A copy of these publications may be obtained upon request while a supply is available from --

Information Division
Farmer Cooperative Service
U. S. Department of Agriculture
Washington 25, D. C.